

Act 236, the Distributed Energy Resources Program Act, is landmark renewable energy legislation passed unanimously by the SC General Assembly and signed into law by Governor Nikki Haley in 2014. It was designed collaboratively by legislators, investor-owned utilities, electric cooperatives, electric regulators, conservation groups, renewable energy developers, large energy users, and other stakeholders. The legislation addresses several major aspects of renewable energy development in SC, and is expected to spur installation of around 200 MW of renewable energy capacity by 2020. Due to resource economics, the bulk of this capacity is expected to be solar photovoltaic technology, ranging from small residential rooftop systems, to larger commercial systems, to utility-scale solar facilities sized up to 10 MW. Act 236 will create jobs, lessen South Carolina's dependence on fossil fuel imports, expand customer choice, further diversify utility generation mixes, and reduce pollution in the Palmetto State.

The legislation's three sections address third-party leasing transactions, net energy metering arrangements, and utility cost recovery for renewable energy procurement and incentives. In 2015, the regulations and programs for implementing Act 236 were established by the Public Service Commission of South Carolina in several regulatory dockets, with participation by most of the same stakeholder groups that helped craft the legislation. This work brought about several regulatory changes authorized by Act 236. First, renewable energy leasing arrangements were explicitly made legal for the first time in South Carolina. Second, a new framework was created for the valuation of net energy metering and creating a pathway for a better understanding of the benefits and costs of integrating renewable resources onto utility grids. Third, the Commission reviewed and approved utility plans for procuring electricity from utility-scale solar arrays as well as programs aimed to spur adoption of customer-scale solar technologies by families and businesses.

With Act 236 and its implementing regulations in place, South Carolina is poised for significant growth in renewable generation in the coming years, and this growth has already begun as both utility-scale and rooftop solar arrays are coming online across the state. Although the electricity production from projects installed under Act 236 will represent less than 1% of South Carolina's total power production, the law is an important step towards realizing the full potential of

local renewable energy resources. Families and businesses now have new options for meeting their energy needs, business development and competition will help further drive down resource costs while creating jobs, and utilities, regulators, and industry stakeholders will gain experience with new technologies and regulatory approaches. These developments will place South Carolina in an excellent position to further take advantage of local renewable resource opportunities moving forward into the next decade.